

EXHIBIT O



KENNY C. GUINN
Governor

SYDNEY H. WICKLIFFE, C.P.A.
Director

STATE OF NEVADA
DIVISION OF MORTGAGE LENDING
DEPARTMENT OF BUSINESS AND INDUSTRY

SCOTT E. BICE
Commissioner

June 12, 2006

Laurel E. Davis
Lionel Sawyer & Collins
300 South Fourth Street, #1700
Las Vegas, NV 89101

Re: Advisory Opinion regarding loan servicing agreements/USA Commercial Mortgage

Dear Ms Davis:

As you know the Division of Mortgage Lending "MLD" has primary regulatory authority over 645B –Mortgage Broker Licensees. This includes both NRS 645B and NAC 645B. You have asked several questions in your request based upon NAC 645B.073.

NAC 645B.073 Documentation for action on behalf of investors when beneficial interest belongs to more than one natural person. (NRS 645B.060, 645B.080)

1. Except as otherwise provided in subsection 3, if a mortgage broker acts on behalf of investors on a matter related to a mortgage loan, and if the beneficial interest in the loan belongs to more than one natural person, the documentation of the matter must include provisions to allow the holders of 51 percent or a greater specified percentage of the beneficial interests of record to act on behalf of all the holders of the beneficial interests of record in the event of a default or foreclosure for matters that require the direction or approval of the holders of the beneficial interests in the loan, including, without limitation:

(a) The designation of the mortgage broker, servicing agent or other person to act on the behalf of the holders of the beneficial interests in the loan; and

(b) The sale, encumbrance or lease of real property owned by the holders resulting from a foreclosure or the receipt of a deed in lieu of a foreclosure.

2. The provisions required by this section may be included in the deed of trust, the assignment of interest or any other documentation that binds the mortgage broker and the investors.

3. The provisions of this section do not apply to a transaction involving two investors with equal interests.

(Added to NAC by Comm'r of Financial Institutions by R045-00, eff. 9-5-2000)

Carson City Office

400 W. King Street, Suite 406
Carson City, Nevada 89703
(775) 684-7060 Fax (775)
684-7061

Web Address: www.mld.nv.gov

Las Vegas Office

Office of the Commissioner
3075 E. Flamingo Suite 104-A
Las Vegas, NV 89121
(702) 486-0780 Fax (702) 486-
0785



STATE OF NEVADA
DIVISION OF MORTGAGE LENDING
DEPARTMENT OF BUSINESS AND INDUSTRY

Just as USA Commercial Mortgage "USA" is entitled to and is enforcing the covenants of the loan servicing agreements regarding collections of fees the direct lenders have the ability to enforce their rights to transfer the servicing accordingly. The intent of the law is clear in that respect.

Notwithstanding the petitions and arguments offered by the Debtor in Possession of USA it is also clear that USA through testimony and known facts violated many provisions of NRS 645B as well as the corresponding regulations; therefore, breaching its fiduciary responsibilities and obligations as set forth in the Loan Servicing Agreements and as such Canepa as a direct lender has the right to terminate the agreement and seek a new loan servicer.

If you have any questions or need any further information please feel free to contact me at 702-486-0789 at any time.

Sincerely,

A handwritten signature in black ink that reads "Scott E. Bice".

Scott E. Bice
Commissioner

cc: Sydney H. Wickliffe, C.P.A.
Director B&I

Carson City Office

400 W. King Street, Suite 406
Carson City, Nevada 89703
(775) 684-7060 Fax (775)
684-7061

Web Address: www.mld.nv.gov

Las Vegas Office

Office of the Commissioner
3075 E. Flamingo Suite 104-A
Las Vegas, NV 89121
(702) 486-0780 Fax (702) 486-
0785